2023 Consumer Trends Index

U.S. BABY BOOMERS — CONSUMER ATTITUDES AND TRENDS IN PERSONALIZATION, PRIVACY, MESSAGING, ADVERTISING, BRAND LOYALTY, AND THE RISING COST OF LIVING



Executive Summary

As the United States continues to grapple with rising prices and economic uncertainty, marketers face the constant challenge of maintaining a pulse on ever-fluctuating consumer behavior. We have already released a <u>U.S.-specific version</u> as part of our suite of 2023 Consumer Trends Index reports, but here at Marigold, we are always looking to empower marketers with additional insights that enhance <u>relationship marketing</u> strategies. And thus, the generation-specific Consumer Trends Index was born.

This iteration focuses specifically on Baby Boomers, or "Boomers" for short. Economic concerns are a recurring theme, and shaping factor, for this generation of consumers. Boomers, in overwhelming numbers, cite a desire for financial incentives from brands. They describe themselves as shoppers who are looking for the best price, and tend to be less influenced by non-financial factors, like brand recognition and community, when compared to younger generations.

Adding to the challenge of the Boomer consumer profile is the desire for strict data privacy. Sizable majorities of Boomers express discomfort with ads based on locational data, voice data, and third party cookie tracking. These consumers have also taken it upon themselves to protect their privacy, with widespread use

of privacy modes on pre-installed browsers, ad blockers, and paid-for/premium internet security software.

Fortunately for marketers, there is still a roadmap for success. Boomers, just like the other age generations, have a desire for personalized experiences. They want relevant content and offers that adequately address their needs — and they're willing to share data about their interests and hobbies to receive this personalization. The key for brands is to respect the boundaries of Boomers, create worthwhile value exchanges, and prioritize **zero-party data** strategies.

Loyalty also arises as a great area of great opportunity for marketers. Once Boomers become loyal, they tend to stay loyal. In their quest to initiate a feeling of loyalty from Boomers, brands need to deliver a coalescence of value based offerings, excellent customer service, high quality products, and robust data privacy policies.

At Marigold, we pride ourselves on our technology's ability to scale businesses from start-ups and high growth companies all the way to global enterprises. If you'd like to dig in deeper and understand how you can better align your relationship marketing efforts to your audience's needs, we're here to help.



Key Takeaways



Email is the most common online purchase channel among Boomers, with 62% having purchased from an email in the last 12 months.



80% of Boomers are very pessimistic about the rising cost of living, and 75% are very pessimistic about the economic outlook. This year, compared to last, a majority of Boomers will be doing more research before buying (56%) and making fewer impulsive purchases (65%).



A majority (51%) of Boomers describe themselves as shoppers who are focused on getting the best price.



A healthy 59% of Boomers are loyal to some brands and willing to pay more to shop with them. Once loyalty has been established, Boomers tend to stay loyal — only 20% have switched away or become less loyal to a brand in the last year.



65% of Boomers say loyalty programs are important or critically important to maintaining loyalty, and a further third (33%) say they're more likely to take part in a loyalty program this year compared to last. Boomers overwhelmingly seek financial incentives, like discounts (85%) and points/rewards (70%), from these loyalty programs.



Boomers are taking steps to protect their privacy via privacy modes on pre-installed browsers (65%) and paid-for/premium internet security software (36%).



Boomers want personalized content and offers from trusted brands, with 67% willing to share their hobbies and interests in exchange for better service.



The Boomer outlook is dim for banner ads, with purchases down 56% year-on-year and ad blocker use up 33% year-on-year.



Marigold, in conjunction with Econsultancy, conducted its 2023 Consumer Trends Index of U.S. consumers across four age generations: Generation Z, Generation Y/Millennials, Generation X, and Baby Boomers. This latest report is based on the insights from 399 Baby Boomers from the United States. The data was collected in October–November 2022.

This research reveals what Boomers expect from the brands they do business with online — the channels they prefer to connect on, what value exchanges elicit engagement, and how attitudes have shifted in response to increased economic uncertainty. The granular insights will empower digital strategists, marketers, and decision makers to deliver relationship marketing strategies that build mutually beneficial and long-lasting connections between brand and buyer.

Be sure to visit <u>www.meetmarigold.com</u> for other available reports and research papers, including Global, U.S., U.K., and vertical-specific versions.

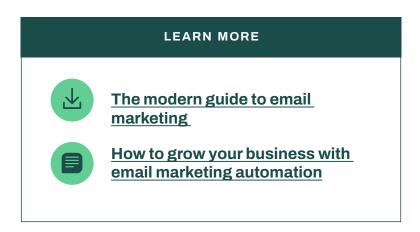
Purchase Channels & Messaging

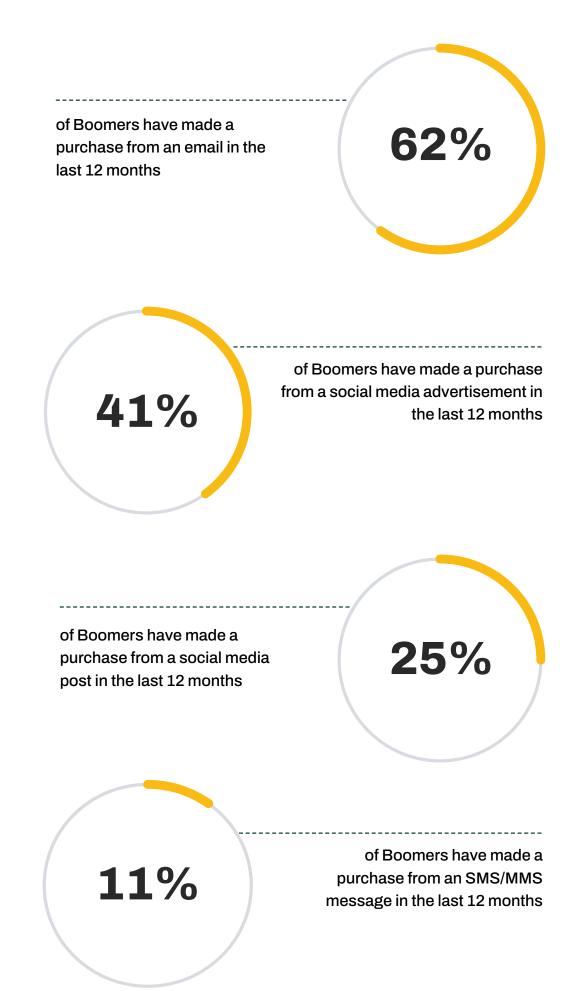
Email is the #1 Purchase Channel for Boomers

Email remains, by far, the most effective channel for driving sales among Boomers, with 62% having made a purchase from an email in the last 12 months. No other purchase channel cracks 50% among Boomers.

As a generation who grew up with more traditional forms of communication like paper mail and phone calls, Boomers now gravitate toward email, which serves as a more comfortable and familiar medium for brand interactions when compared to other channels like social media and digital advertising.

Email can be easily personalized with the right tech stack, allowing marketers to build more robust customer-brand relationships. The key to leveraging email effectively lies in personalization — emails should reflect the unique interests of consumers and include dynamic content that is simple to navigate. When leveraged in conjunction with the right tech stack, email holds its own as the most scalable and cost-effective channel for Boomers.



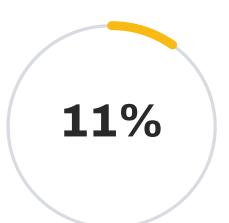




Banner Ads Aren't Clicking with Boomers

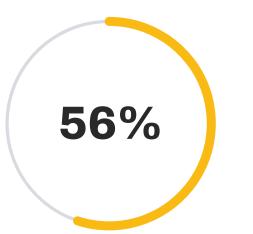
A mere 11% of Boomers have purchased from a banner ad in the last 12 months — a year-on-year decrease of 56%.

As a demographic disproportionately targeted by online scams, Boomers have understandably become wary of where they click. Ad blockers are one such tool that Boomers now use to evade ads, with an impressive number (56%) having used an ad blocker in the last 12 months — a year-on-year increase of 33%.



Only 11% of Boomers have made a purchase directly from a banner ad in the last 12 months

a 56% year-on-year decrease

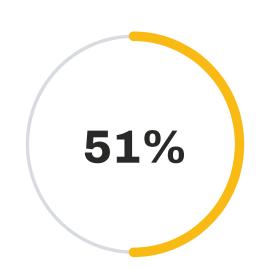


of Boomers have used an ad blocker in the last 12 months

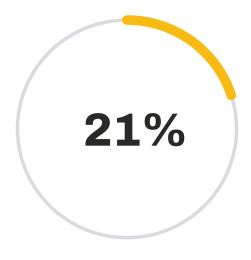
an 33% year-on-year increase

Price Comes First for a Majority of Boomers

When asked to identify with a shopper profile, the majority (51%) of Boomers cite that they're looking for the best price when purchasing. This disproportionate emphasis on finances is better understood when taking into account the multiple economic crises Boomers have endured: the oil crisis of the 1970s, the dot-com bubble of the early 2000s, and 2008 financial crisis to name a few. And now, as another era of economic uncertainty descends upon us, Boomers are tasked with navigating retirement.



of Boomers emphasize getting the best price



of Boomers emphasize product style



of Boomers emphasize convenience



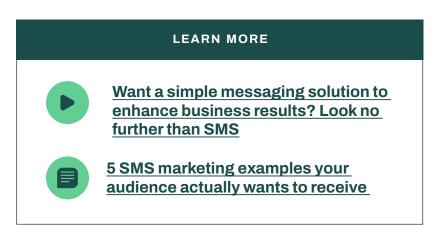
of Boomers emphasize brand responsibility



Boomers Use Mobile to Make and Research Purchases

Boomers may not be the most digitally connected generation, but their use of mobile devices is still noteworthy. A considerable 50% of Boomers have made an in-app purchase, while 19% have purchased digital content via mobile. The Boomer inclination to carefully weigh purchase decisions is also displayed: 45% have used their mobile phone in-store to research a potential purchase and 50% have browsed for products in-store but ultimately purchased online.

These all point to the importance of a full-fledged mobile strategy. Marketers should think of mobile as a collection of touchpoints (such as SMS, MMS, email, website, mobile app) that coalesce to enhance brand accessibility.





of Boomers have bought digital

content via mobile phone

19%



How Boomers' Favorite Brands Are Communicating

When it comes to separating favored brands from those less so, messaging is a key differentiator. Boomers want communications that are consistent and personalized.

80% or more of Boomers believe that their favorite brands do the following: provide a consistent user experience (94%), reward them for their loyalty (86%), use their data in a way that makes them feel comfortable (86%), treat them like an individual (84%), and strive to develop a relationship (80%).

The brands committed to fostering better relationships and adding relevance, value, and personalization to their messaging are the ones that are elevated to preferred status and poised to see long-term benefits across the customer lifecycle.

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How to use survey emails to get a pulse on your customer base



Messaging at scale: accelerating email and SMS programs





What Boomers' favorite brands do



Provide a consistent user experience



Reward them for their loyalty



Treat them like individuals



Surprise them with unexpected rewards



Use data in a way that makes them feel comfortable



Strive to develop a relationship



Influence their lives beyond the products and services brands provide

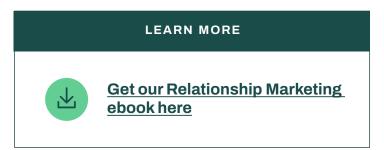


Make them feel special, like VIPs

Boomers' Relationships With Their Favorite Brands

To win and maintain relationships with Boomers, marketers need to connect with them by delivering the right message, on the right channel, at the right time.

It can be tempting to blast news offerings to an entire database, but a sizable majority (65%) of Boomers describe the relationship with their favorite brand as getting communications from the brand only as and when necessary. For brands, this type of relationship entails a communication frequency based on each customer's individual purchase cycle and profile attributes. Doing so requires a cadence that is constantly refined by optimal delivery times. Campaigns should be triggered based on online behavioral data and other real-time customer signals across your websites, apps, and owned properties, including in-store actions. Let the data tell you when it's time to send a message, in which channel, and what the content should be. Listening is as important as talking when building relationships and driving favored outcomes.



How Boomers describe the relationship with their favorite brands





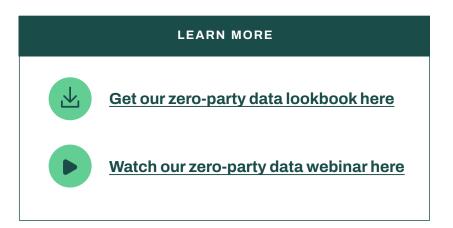


Boomers Are Frustrated With Non-Personalized Messaging

With the slew of marketing technologies available to brands, there's little excuse for sending communications devoid of personalization.

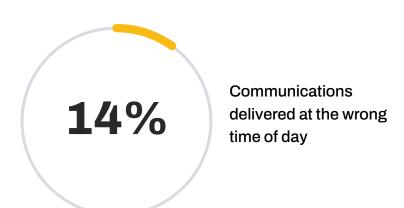
Even so, Boomers indicate that they've been frustrated by multiple types of brand communications, including irrelevant content or offers (68%) and messages that failed to reflect their wants and needs (48%).

Truly personalized messaging is the core of relationship marketing, with a focus on creating long-term customer satisfaction. In order to reduce attrition and continue to grow, brands need to deliver personalized messaging that demonstrates an understanding of an individual's likes, interests, history, and preferences. The key to successful messaging necessitates collecting, understanding, and activating more zero-party data throughout their entire messaging process.



Frustrations Boomers have experienced in the last six months







When It Comes to Messaging Frequency, Marketers Are Doing Well

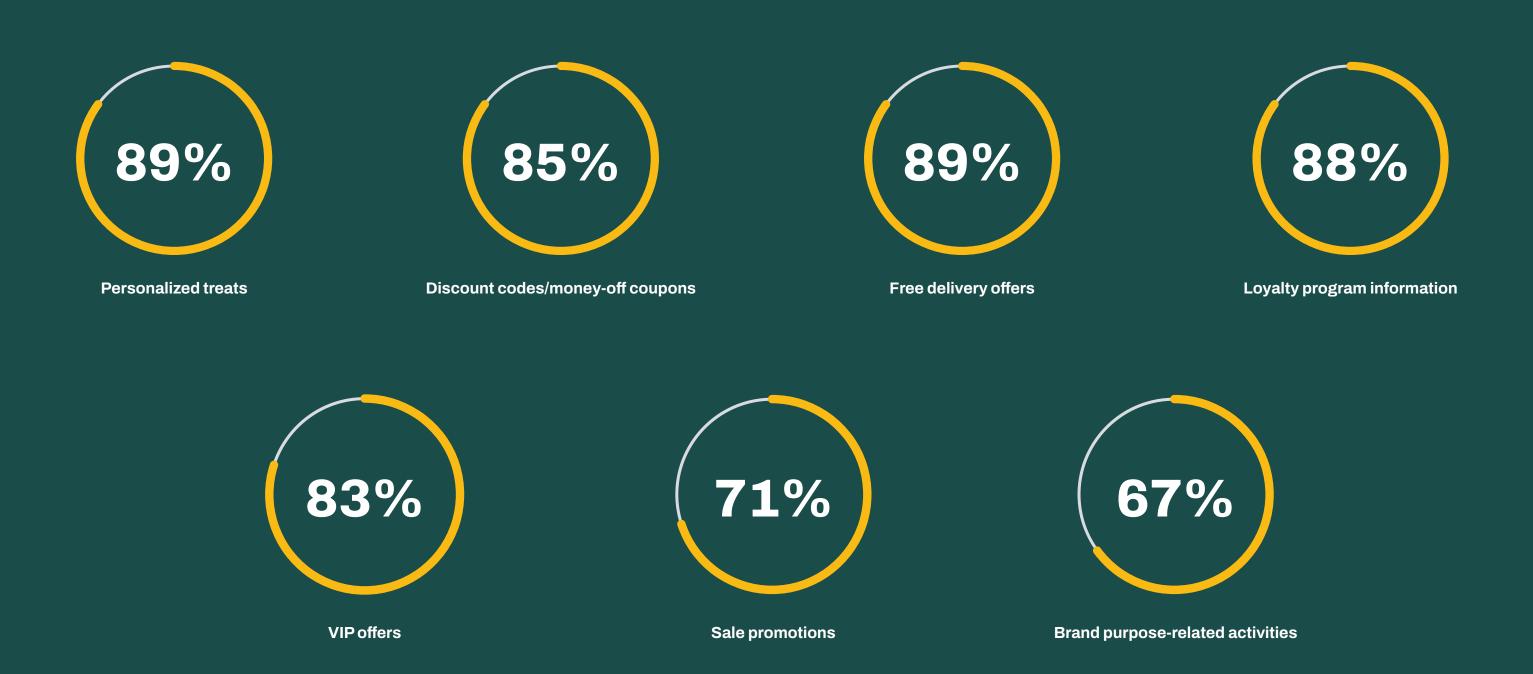
Whether through email, apps, social media, or SMS, Boomers are quite content with the volume of messages they receive from brands. When asked about messaging frequency, Boomers "want more" or feel they get served the "right amount" of personalized treats (89%), free delivery offers (89%), loyalty program information (88%), discount codes/money-off coupons (85%), and VIP offers (83%).

A messaging strategy balanced with a blend of value-based offers and personalized content is key to high engagement rates and customer retention.





Messages that Boomers "want more" or receive the "right amount" of



Brand Loyalty

BoomersAre Loyal to Their Favorite Brands

Despite economic uncertainty and the rising cost of living, a healthy 59% of Boomers say that they're loyal to some brands, and willing to pay more to shop with them.

An even larger 67% of Boomers say that they shop frequently with brands they're not loyal to. For brands falling into this category, understanding loyalty drivers could be the key to converting casual customers into loyal ones.

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The power of a welcome email to build brand loyalty



The buyer's guide to omnichannel loyalty

of Boomers will pay more to purchase from their favorite brands

59%



of Boomers shop frequently with brands that they're not loyal to

Only 23% of Boomers say they're not loyal to any particular brands

23%



Top Loyalty Drivers

A loyal customer base is exceptionally powerful in driving revenue and reducing the stressors associated with acquiring new customers. But to establish such a base requires that brands understand the factors driving loyalty. For Boomers, a triad of high quality products or services, excellent customer service, and robust data privacy policies is key.





Factors that are important or critically important to maintaining Boomer loyalty



Boomers Tend to Stay Loyal

Maintaining the "favored" status is key for brands to keep consumers loyal, especially with a sizable 59% of Boomers willing to pay more to shop with their favored brands. Fortunately for marketers, once Boomers become loyal, they tend to stay loyal. Only a fifth (20%) of Boomers have switched away or become less loyal to a previously favored brand in the past year.

The quality of a brand's product or services (38%) and inadequate offers and promotions (30%) are the most commonly cited reasons for Boomers switching away or becoming less loyal to a brand.

20%

Only a fifth of Boomers have switched away or become less loyal to a previously favored brand in the last year

The most common reasons Boomers have switched away from a favored brand









Availability online / in-store

Customer service / support



Lapsed Boomers Customers Can Be Won Back

Though Boomer attrition is low, marketers can still benefit from addressing those who have been lost. The good news is the vast majority (81%) of Boomers who have switched away or become less loyal to a previously favored brand say they can be won back.

The key to successful business is a low customer churn rate — loyal customers result in higher customer lifetime value, more predictable revenue, and enhanced brand reputation. To address customer churn, determining the cause is critical. As per the previous data points, Boomer attrition could be occurring as a result of multiple factors such as product quality or availability, customer service, or inadequate data privacy policies. Gathering these insights and targeting those lapsed customers with personalized solutions will provide an opportunity to rekindle the customer-brand relationship.

Easy ways to collect this information from lapsed customers include win-back offers or incentives (best sent via email for Boomers), that contain survey questions to qualify. Create a one-off value exchange that doesn't dilute your core value to mass markets but that is highly targeted and has enough hook to obtain that data on why customers left. These offers might just bring them back into your fold as a customer, and at the least, you will understand why they left and can course-correct with current customers to lower your churn rates.

81%

of Boomers who have switched away or become less loyal to a previously favored brand in the last year say they can be won back



Loyalty Program Participation Among Boomers

With many Boomers either retired or nearing retirement, their budgets are an understandably important focus. Oftentimes on fixed incomes, Boomers seek benefits that can stretch their dollar further. For brands, loyalty programs have the imperative benefit of rewarding repeat customers, thus driving sales and increasing customer lifetime value.

A third (33%) of Boomers are more likely to take part in a loyalty program this year compared to last, with a mere 7% being less likely. When taking into consideration the other Boomer attitudes toward loyalty programs — with 86% saying their favorite brand rewards them for their loyalty and 65% citing loyalty programs as important or critically important — the stats suggest that brands with robust loyalty programs have a massive opportunity to win with Boomers.

What are the steps to create a successful loyalty program?

33%

of Boomers are more likely to take part in a loyalty program this year compared to last

7%

of Boomers are less likely to take part in a loyalty program this year compared to last 60%

of Boomers will keep their loyalty program participation constant



What Boomers Want From Loyalty Programs

Boomers overwhelmingly cite financial incentives as the most desirable loyalty program components: 85% want discounts on products/services, and 70% want points/rewards.

Non-financial offerings are much less popular, though not entirely irrelevant. Some Boomers express interest in receiving exclusive/early access to products/events/services (30%), communications via preferred channels (21%), and personalized product/service suggestions (19%).

Community (2%) and brand recognition (3%) as loyalty program components receive almost no interest at all from Boomers, suggesting that marketers should tread lightly in these areas.

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Loyalty assessment: how does your loyalty program rank?





Desired loyalty program offerings



Privacy & Personalization

Avoid the "Creepy" and Embrace the "Cool"

The privacy consciousness of Boomers makes them cynical about a number of brand interactions. The vast majority of Boomers consider the following to be "creepy": adverts related to something they talked about near a smart device (88%), adverts from unknown companies based on location data (86%), and third-party tracking cookies (78%).

Fortunately, not all brand interactions are viewed with such scrutiny. Boomers generally consider the following to be "cool": recommendations from a brand based on past purchases (89%), email reminders about abandoned online shopping carts (68%), and personalized offers after staying on brand sites for 2+ minutes (56%).

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The privacy paradox



CREEPY



COOL

88%

of Boomers state ads related to something they talked about near a smart device are creepy

86%

of Boomers state ads from unknown companies based on location data are creepy

78%

of Boomers state retargeting ads derived from third-party cookie tracking are creepy 89%

of Boomers state recommendations from brands based on past purchases are cool

68%

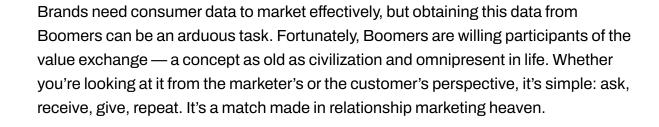
of Boomers state email reminders about abandoned online shopping carts are cool

56%

of Boomers state personalized offers after staying on brand sites for 2+ minutes are cool



The Value Exchange Economy



For Boomers, the value exchange is best achieved through financial offerings. Large numbers are willing to trade data for discounts or coupons (98%), loyalty points/rewards (94%), early and/or exclusive access to offers (87%), and the chance to win something (71%).



Boomers will trade personal and preference data for the following



Boomers Will Share Behavioral Data for Better Service

There's an obvious fissure between the data Boomers are and aren't comfortable sharing. A majority of Boomers are willing to share their full name (53%), gender (84%), date of birth (59%), and email address (69%). This is contrasted by the fewer than a third who are comfortable sharing their family make-up (31%), phone number (31%), income (30%), location in real-time (23%), and photograph (11%). The key is to keep data collection to the scope of what is actually necessary to create personalized experiences, or run the risk of making Boomers — who've demonstrated a high concern for data privacy — feel uncomfortable.

This leads to the real story. Over two-thirds (67%) of Boomers are comfortable sharing information about their hobbies in return for a better service — behavioral data that marketers can use to truly tailor messaging, content, and offers. This class of data empowers brands to build direct relationships with consumers, and in turn, deliver better personalization. As it comes directly and willingly from the consumer, there are no intermediaries or guesswork, and the consumer feels at ease.

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The power of progressive profiling and scaling customer data across brands



What Boomers will share in return for better service





Boomers Are Taking a More Proactive Role in Protecting Their Data and Privacy

As Boomers become more concerned about data privacy and security, brands are tasked with providing transparency to quell concerns, while simultaneously feeling the heat to develop efficient marketing strategies.

Over half (56%) of Boomers have used ad blocking tech in the last year — a 33% year-on-year increase. This uptick in adoption, paired with the phasing out of third-party tracking cookies and poor performance of banner ads, points to the growing weakness of traditional digital advertising.

Ad blockers are just the tip of the iceberg when it comes to the privacy-conscious behavior of Boomers — in the last year, substantial numbers have also used privacy modes on pre-installed browsers (65%), cleaners to circumvent cookie tracking or remove unnecessary entries (37%), and paid-for/premium internet security software (36%).

This data suggests the importance for marketers to actively address and respect the privacy concerns of Boomers, best achieved by communicating how their data will be used, respecting boundaries, and providing opt-in/out options wherever possible.

In the last 12 months, Boomers have used the following



The Slow Death of Third-Party Cookies

For decades, third-party tracking cookies have been the lifeblood of the online advertising ecosystem. Soon, however, Google will be imminently curtailing their use, with promises of a full phase-out by the end of 2024 (Safari and Firefox already have). The loss of third-party cookies will inevitably make it more difficult for the marketers wedded to the practice of tracking users online to serve targeted advertisements.

Despite their overall concern for data privacy, Boomers are largely unaware of the impending cookie withdrawal — just 13% say they're aware, compared to the 87% who are unaware. As brands eventually stray away from third-party cookies, keeping an open channel of communication with their Boomer constituents could prove rewarding. An aforementioned 90% of Boomers say that data privacy policies are important or critically important — separate yourself from competitors by ensuring that Boomers are aware of the effort your brand is making to protect their privacy.



Only 13% of Boomers are aware of the impending cookie withdrawal



of Boomers say that data privacy policies are important or critically important



The Rising Cost Of Living

Boomers Are Very Pessimistic About the State of the Economy

As one may have deduced from the Boomer emphasis on financial incentives, discounts, and finding the best prices, Boomers are extremely concerned with the economy.

An astounding 80% are very pessimistic about the rising cost of living, with a similar 75% very pessimistic about the economic outlook. As a demographic disproportionately reliant on fixed incomes, Boomers face the risk of being priced out of buying the products and services that they've become accustomed to.

In a constricted economy, brands also face burdensome economic conditions. Nonetheless, if they are to maintain broad appeal to Boomers, providing some form of financial offering will be key. This again highlights the power of loyalty programs — such programs can appeal to the financial considerations of customers, while benefiting brands via reduced attrition and increased access to zero-party data.

How Boomers feel about economic issues

	VERY OPTIMISTIC	VERY PESSIMISTIC	
The rising cost of living	9%	80%	
Overall job security	31%	30%	
The economic outlook	7 %	75 %	
Personal financial situation	on 19%	46%	



Boomer Purchase Habits Are Shifting

Amid economic uncertainty, Boomers are becoming more restrained in their purchase habits. 65% are making fewer impulsive purchases, 56% are doing more research before buying, 47% are waiting longer for sales, and 44% are relying more often on loyalty program benefits.

As the apprehensiveness of Boomers rises, brands are at risk of seeing reduced conversion rates. And thus, the significance of zero-party data arises once more. The brands who can effectively maintain a pulse on the unique interests and needs of their constituents will be best positioned to brace themselves for dwindling economic confidence.

How Boomer habits have changed this year, compared to last

	DOING MORE	ABOUT THE SAME	DOING LESS
Buying products as quickly as possible regardless of cost	5%	30%	65%
Researching before buying	56 %	37 %	7 %
Waiting for products to go on sale	47 %	43%	10%
Relying on loyalty program benefits	44%	49%	8%



Boomer Consumer Sentiment by Industry

Boomer Trust in Brands to Deliver Personalized Marketing Is on the Rise

Just a few years ago, consumer trust in organizations that had access to consumer data was at an all-time low. The Cambridge Analytica scandal dominated headlines, huge fines were being meted out for data breaches, and the practice of using surreptitiously gathered third-party data was omnipresent.

Fortunately, these crises have been a catalyst for change in most verticals, accelerating the way in which brands provide digital service and innovating how they deliver their products. For many, it's been an opportunity to build deeper, more meaningful relationships with customers and use their data in a transparent manner to provide personalized marketing and services.

Year-on-year uplifts in Boomer trust per industry

11%

Financial Services

32%

Travel / Hospitality

9%

Food / Grocery

-10%

Gaming / Gambling

32%

Beauty / Fashion

11%

Sports / Entertainment

14%

Furniture / Household Goods

29%

Household Appliances

12%

Home Improvement / Garden / Pets

3%

Restaurants



Online Customer Experience Is Good, but It Can Always Be Better

Crafting a seamless online customer experience is a mutually beneficial endeavor. For brands, it drives efficiencies and increases revenue. For customers, it allows for enhanced accessibility and frictionless purchases. It's worth noting again that a staggering 94% of Boomers have a favorite brand that provides a consistent customer experience — whatever the channel.

On the whole, brands are doing exceptionally well with Boomers — over half define their experience with each industry as "excellent."

When it comes to "very poor," the story is resoundingly positive with all customer experiences well under 20%.

Percent of Boomers who have had an "excellent" online customer experience

69%

Signed up for a new financial product

57%

Placed a bet / gambled

74%

A grocery order for delivery or pick up

65%

Clothes, fashion accessories, or makeup

51%

Large household appliances

62%

Booked a flight, holiday, or hotel room

64%

In-home / out-of-home entertainment

71%

Ordered breakfast / lunch / dinner for delivery or pick-up

59%

Furniture

64%

Home improvement



Final Takeaways

- The favorite brands of Boomers deliver highly personalized experiences.

 If your current marketing technology cannot adequately deliver advanced personalization, <u>it's time to explore new solutions.</u>
- Email is an integral component of Boomer marketing. No online purchase channel is more popular than email when it comes to purchase frequency among Boomers. Your brand needs the ability to effectively leverage email as part of your marketing strategy.
- Establishing brand loyalty is imperative. Once Boomers become loyal to a brand, they tend to stay loyal they're the least likely among age generations to attrite. In a tightening economic environment, establishing loyalty provides a direct path to reduced financial stress.

Where relationships take root.

Marigold's approach to Relationship Marketing stands alone in a world of one-size-fits-all marketing technology companies. Our solutions are designed for your specific size, industry, and maturity, giving you the technology and expertise you need to grow the relationships that grow your business, from customer acquisition to engagement to loyalty. And, with a team of strategists that provide insights into what's working, what's not, and what's changing in your industry, you're able to maximise ROI every step of the way.

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